

Prepared by and Return to:  
Michael C. Williams, Esq.  
EVANS PETREE PC  
1000 Ridgeway Loop Rd., Ste. 100  
Memphis, Tennessee 38120  
901-521-4602

Amended and Restated Leasehold Deed of Trust  
and Security Agreement Bk 2607 Pg 740 – Section  
21 Township 2 South Range 9 West Desoto County,  
Mississippi

Deed of Trust Bk 2311 Pg 43– Section 2 Township  
2 Range 7 West Desoto County, Mississippi

1/12/09 10:00:50  
BK 2.981 PG 492  
DESOTO COUNTY, MS  
M.E. DAVIS, CH CLERK

**CONSOLIDATION OF NOTES  
AND  
MODIFICATION AND EXTENSION AGREEMENT**

This Consolidation of Notes and Modification and Extension Agreement (this "Agreement") is entered into as of the 31st day of December, 2008, by and between The Desoto Group, Inc., a Mississippi Corporation, TDG, LLC, a Mississippi Limited Liability Company, Joseph K. Jones and Michelle D. Jones, a married couple and Charles B. Jones and Mary L. Jones, a married couple, collectively ("Maker") and Waymon H. Welch, Jr. ("Payee").

**WITNESSETH:**

WHEREAS, on July 21, 2004, Joseph K. Jones and Michelle D. Jones and Charles B. Jones and Mary L. Jones executed that certain Promissory Note ("the First Note") in the principal amount of One Hundred Fifty Thousand Dollars (\$150,000.00) payable to the order of Payee; and

WHEREAS, on the 22<sup>nd</sup> day of April, 2005, The Desoto Group, Inc., Joseph K. Jones and Michelle D. Jones and Charles B. Jones and Mary L. Jones executed that certain Promissory Note ("the Second Note") in the principal amount of One Hundred Twenty Thousand Dollars (\$120,000.00) payable to the order of Payee; and

WHEREAS, on the 22<sup>nd</sup> day of April, 2005, The Desoto Group, Inc., Joseph K. Jones and Michelle D. Jones and Charles B. Jones and Mary L. Jones executed that certain Promissory

Note ("the Third Note") in the principal amount of Three Hundred Sixty Four Thousand Four Hundred Thirty Six and 96/100 Dollars (\$364,436.96) payable to the order of Payee; and

WHEREAS, on the 1<sup>st</sup> day of June, 2005, The Desoto Group, Inc., Joseph K. Jones and Michelle D. Jones and Charles B. Jones and Mary L. Jones executed that certain Promissory Note ("the Fourth Note") in the principal amount of One Hundred Twenty Thousand Dollars (\$120,000.00) to the order of Payee; and

WHEREAS, on the 1<sup>st</sup> day of October, 2005, The Desoto Group, Inc., Joseph K. Jones and Michelle D. Jones and Charles B. Jones and Mary L. Jones executed that certain Promissory Note ("the Fifth Note") in the principal amount of One Hundred Thousand Dollars (\$100,000.00) to the order of Payee; and

WHEREAS, on the 23rd day of May, 2006, The Desoto Group, Inc., Joseph K. Jones and Michelle D. Jones and Charles B. Jones and Mary L. Jones executed that certain Line of Credit and Promissory Note ("the Sixth Note") in the principal amount of One Hundred Forty-two Thousand Six Hundred Dollars (\$142,600.00) to the order of Payee; and

WHEREAS, on the 20<sup>th</sup> day of December, 2007, The Desoto Group, Inc., Joseph K. Jones and Michelle D. Jones and Charles B. Jones and Mary L. Jones executed that certain Promissory Note ("the Seventh Note") in the principal amount of Seventy Three Thousand Six Hundred Dollars (\$73,600.00) to the order of Payee; and

WHEREAS, The Desoto Group, Inc. while not a maker of the First Note received consideration for the execution of the First Note by the makers thereof and by this Agreement desires to assume liability for the repayment of the First Note as consolidated with the remaining Notes hereby; and

WHEREAS, TDG, LLC, while not a maker of any of the aforescribed Notes received value for the execution of the Notes by the Makers thereof and desires to join herein for the purpose of assuming liability for the Notes as modified hereby; and

WHEREAS, the parties acknowledge that the outstanding principal balance on all Notes combined as of the date of the execution of this Agreement is One Million Fifty-two Thousand Seven Hundred One and 77/100 Dollars (\$1,052,701.77); and

WHEREAS, the parties desire to (i) consolidate the indebtedness evidenced by the Notes, (ii) modify the terms of the Notes and extend the maturities thereof, (iii) modify the Amended and Restated Leasehold Deed of Trust and Security Agreement dated October 3, 2006 and filed of record in the Chancery Clerk's Office of Desoto County, Mississippi in Book 2607, Page 740 ("Leasehold Deed of Trust") and to modify the Deed of Trust dated August 30, 2005 and filed of record in the Chancery Clerk's Office of Desoto County, Mississippi in Book 2311, Page 43 ("Deed of Trust"), so that both the Leasehold Deed of Trust and the Deed of Trust provide that they secure the indebtedness evidenced by this Agreement and (iv) to modify said Leasehold Deed of Trust and Deed of Trust to reflect the modifications to the Note and to extend the liens thereof.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, The Desoto Group, Inc., TDG, LLC, Joseph K. Jones and Michelle D. Jones and Charles B. Jones and Mary L. Jones collectively as Maker and Jackie Welch agree as follows:

(1) Acknowledgement of Debt. It is hereby acknowledged that the outstanding principal balance under the First, Second, Third, Fourth, Fifth, Sixth and Seventh Notes

collectively ("Notes") described herein above is One Million Fifty-two Thousand Seven Hundred One and 77/100 Dollars (\$1,052,701.77).

(2) Modification of Notes-Interest Rate. It is agreed that the Notes are hereby modified to adjust the rate of interest, effective as of the date hereof to a new rate (the "Rate"), equal to ten percent (10%) per annum.

(3) Modification of Notes-Amortized Repayment Schedule. The Notes are hereby modified to consolidate the payment schedule of principal and interest thereon to be paid aggregately over thirty years beginning January 25, 2009. To the contrary notwithstanding, five (5) years from the date of the first payment, the entire outstanding balance of principal together with any accrued and unpaid interest shall be due and payable.

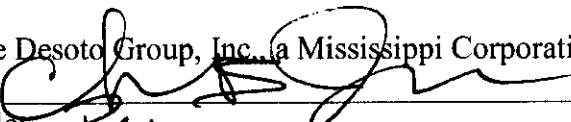
(4) Modification of Amended and Restated Leasehold Deed of Trust and Security Agreement. The Amended and Restated Leasehold Deed of Trust and Security Agreement ("Leasehold Deed of Trust") is hereby modified to provide that it shall henceforth additionally secure the indebtedness evidenced by the Seventh Note so that the aggregate lien of the Leasehold Deed of Trust shall be the principal sum of One Million Fifty-two Thousand Seven Hundred One and 77/100 Dollars (\$1,052,701.77), together with interest thereon at the rate specified herein, together with all further modifications and extensions thereof. The Leasehold Deed of Trust is further modified to reflect the changes evidenced by this Agreement and to extend the lien thereof. All references in the Leasehold Deed of Trust to the Notes or the indebtedness secured thereby shall henceforth be deemed to refer to the Notes as modified herein.

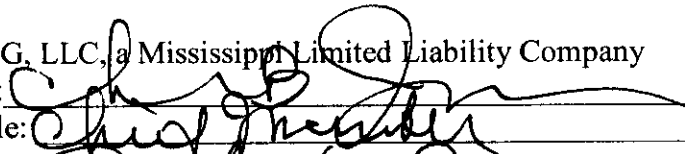
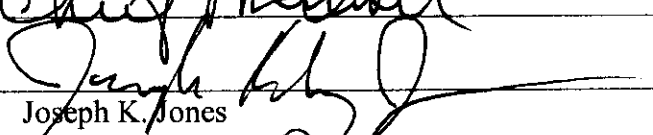
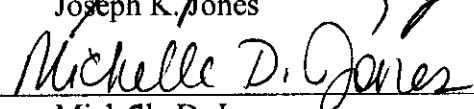
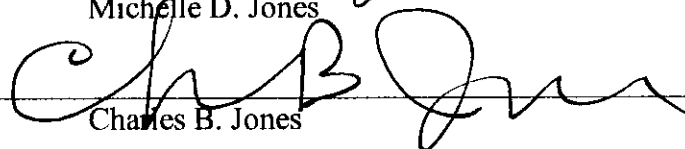
(5) Modification of Deed of Trust to Secure Additional Notes. The Deed of Trust is hereby modified to provide that it shall henceforth secure the indebtedness evidenced by the Sixth Note and the Seventh Note so that the aggregate lien of the Deed of Trust shall be the

principal sum of One Million Fifty-two Thousand Seven Hundred One and 77/100 Dollars (\$1,052,701.77), together with interest thereon at the rate specified herein, together with all further modifications and extensions thereof. The Deed of Trust is further modified to reflect the changes evidenced by this Agreement and to extend the lien thereof. All references in the Deed of Trust to the Notes or the indebtedness secured thereby shall henceforth be deemed to refer to the Notes as modified herein.

(6) Reaffirmation of Obligations. All terms and provisions of the Notes described herein, the Leasehold Deed of Trust and the Deed of Trust not herein specifically modified or amended shall remain in full force and effect and are hereby reaffirmed by the parties hereto. The execution and delivery of this Agreement does not constitute cancellation, satisfaction, discharge, release, extinguishment or novation of the principal indebtedness evidenced by the Notes described herein.

IN WITNESS WHEREOF, this Agreement is executed as of the day and year first above written.

The Desoto Group, Inc., a Mississippi Corporation  
By:   
Title: President

TDG, LLC, a Mississippi Limited Liability Company  
By:   
Title: Chief Executive Officer  
  
Joseph K. Jones  
  
Michelle D. Jones  
  
Charles B. Jones

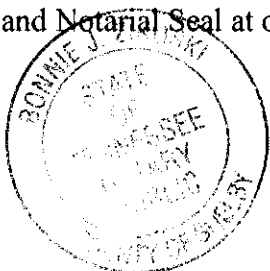
Mary L. Jones  
Mary L. Jones

Waymon H. Welch, Jr.  
Waymon H. Welch, Jr.

**STATE OF TENNESSEE  
COUNTY OF SHELBY**

Before me, a Notary Public of the State and County aforesaid, personally appeared Charles B. Jones, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the President of The Desoto Group, a Mississippi Corporation, the within named bargainor, and that he as such President, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself as such President.

WITNESS my hand and Notarial Seal at office this 31<sup>st</sup> day of December, 2008.



Bonnie J. Zikoski  
NOTARY PUBLIC

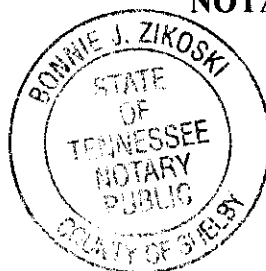
My Commission Expires:

2-19-2012

**STATE OF TENNESSEE  
COUNTY OF SHELBY**

Before me, a Notary Public of the State and County aforesaid, personally appeared Charles B. Jones, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Chief Manager of TDG, LLC, a Mississippi limited liability company, the within named bargainor, and that he as such Chief Manager executed the foregoing instrument for the purpose therein contained, by signing the name of the limited liability company by himself as such Chief Manager.

WITNESS my hand and Notarial Seal at office this 31<sup>st</sup> day of December, 2008.



Bonnie J. Zikoski  
NOTARY PUBLIC

My Commission Expires:

2-19-2012

**STATE OF TENNESSEE  
COUNTY OF SHELBY**

Before me, a Notary Public of the state and county aforesaid, personally appeared Joseph K. Jones and Michelle D. Jones, to me known to be the persons (or proved to me on the basis of satisfactory evidence) described in and who executed the foregoing and acknowledged that they executed the same as their free act and deed.

WITNESS my hand and seal, at office this 31<sup>st</sup> day of December, 2008.

My commission expires:

2-19-2012



Bonnie J. Zikoski  
Notary Public

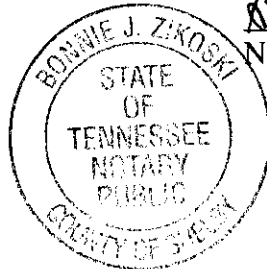
**STATE OF TENNESSEE  
COUNTY OF SHELBY**

Before me, a Notary Public of the state and county aforesaid, personally appeared Charles B. Jones and Mary L. Jones, to me known to be the persons (or proved to me on the basis of satisfactory evidence) described in and who executed the foregoing and acknowledged that they executed the same as their free act and deed.

WITNESS my hand and seal, at office this 31<sup>st</sup> day of December, 2008.

My commission expires:

2-19-2012



Bonnie J. Zikoski  
Notary Public

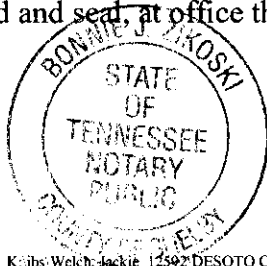
**STATE OF TENNESSEE  
COUNTY OF SHELBY**

Before me, a Notary Public of the state and county aforesaid, personally appeared Waymon H. Welch, Jr. to me known to be the person (or proved to me on the basis of satisfactory evidence) described in and who executed the foregoing and acknowledged that he executed the same as his free act and deed.

WITNESS my hand and seal, at office this 31<sup>st</sup> day of December, 2008.

My commission expires:

2-19-2012



Bonnie J. Zikoski  
Notary Public